

R. R. #1, Ladner, B.C.

10th October 1925.

Mr. A. M. Lester,

c/o California Packing Corporation,

San Francisco, Cal.

Dear Sir;-

Since I had the pleasure of our conversation in Victoria last Monday I have secured the latest balance sheet of the Wallace Fisheries Ltd., and enclose a copy of same herewith. I have also, in the light of the latest information available, revised the synopsis of their operations since formation and have made up a new table covering the results. Kindly insert these two documents in the dossier relating to this company.

You will note by the percentage of total B. C. pack put up by this company that they have held their own; their 1924 pack being approximately the same as that of 1911. On the other hand the B.C. Fishing & Packing Co, during the same period dropped from 25% to 15-2/5%.

I have given considerable thought to the point you raised of not being inclined to purchase a company's assets at a time when it was making profits. While in general I agree with your viewpoint I think the other considerations involved in this proposition should outweigh the objection. Of course you will have to pay more for these properties to-day than you could have had them for a year ago, but they will ask still more for them after another season. Probably the companies will not want to sell then at all as with prosperity in sight it is only human for the directors to wish to justify their management by guiding the company through profit earnings after having borne the reproaches of shareholders during the period of losses.

If you pay more for these properties to-day than you would have had to pay a year ago you must offset the advance in price by what you will gain from obtaining a B. C. supply to handle the export trade you are losing through lessened A. P. A. packs and the loss of your Australian business. After 30 years endeavour your company had built up an Australian demand for its brands that exceeded 50% of the entire U. S. exports of canned salmon to that territory. All this is now lost to you by the preferential treaty entered into by Canada and Australia.

Again, as you yourself have foreseen, it is almost a certainty that within 5 years a similar preference will be given Canadian canned salmon by Great Britain. When that time comes all your trade in that country will be lost to you and the brands which to-day are worth thousands of dollars will be no longer of value, unless you protect them by securing an interest in the industry here.

